

Staff Report

For the Board of Directors' Meeting of September 14, 2016

TO: Board of Directors
FROM: Chip Close, Water Operations Manager
DATE: September 7, 2016
SUBJECT: Quarter Miner's Inch Service Phase Out

OPERATIONS

RECOMMENDATION:

Approve the elimination of the quarter miner's inch allotment for future sales as recommended by the Water and Hydroelectric Operations Committee.

BACKGROUND:

Quarter miner's inch water service has proven to be a challenge in providing a consistent, reliable delivery to our customers. A disproportionately large volume of service calls stem from quarter miner's inch services plugging off or complaints of pressure loss stemming from over drafting. These issues lead to frustration among many of the District's quarter miner's inch customers and place a heavy manpower burden on District personnel.

Staff is recommending "grandfathering" all current quarter miner's inch services and eliminating this allotment from future availability. Existing quarter miner's inch services will remain viable as long as the existing purchase allotment is not changed. As account ownership is transferred and purchase amounts are changed, the quarter miner's inch allotment will be phased out.

The District has 361 active quarter miner's inch services representing 1/15th of the District's total raw water services. The breakdown by season is listed below:

Annual Accounts	21
Summer Accounts	272
Winter Accounts	68
<u>Total</u>	<u>361</u>

If approved, a letter to all existing quarter miner's inch customers will be sent to inform of the change.

BUDGETARY IMPACT:

Budgetary impacts will not be immediately realized, as all current quarter miners' inch services will remain. Eventually long term savings are expected from a reduction in service calls.

The impact of the elimination of the quarter inch allotment to a new summer season customer would be an increase in cost of \$63 for a half miner's inch as compared to the quarter miner's inch allotment.

AC